

DOCUMENT B

Declaration of Howard I. Grapek

I, Howard I. Grapek, declare as follows:

1. I am a resident of Arvada Colorado. I make these statements of my own personal knowledge and will competently testify to the facts set forth herein:
2. I am a principal in Knightweb Technologies hereinafter referred to as "Knightweb".
3. Steven R. Mitchell is president of Manhattan Software, Inc hereinafter referred to as "Manhattan".
4. Jean Kasem is the president of Little Miss Liberty Round Crib Company hereinafter referred to as "LML".
5. In January 1999 Manhattan placed an order with Knightweb for a Sparc Ultra 5 computer, hereinafter referred to as "Sparc"
6. In January 1999 the Sparc was shipped and invoiced to Manhattan.
7. I have a copy of the Bill of Lading with serial numbers of the machine shipped to Manhattan Software.
8. At the time of the shipment Manhattan had prepaid Knightweb for the Sparc.
9. At all times since the shipment of the Sparc, Manhattan was the true owner of the Sparc.
10. Manhattan has paid Knightweb over fifteen thousand (\$15,000) for work with respect to LML (this included the Sparc Computer).
11. Knightweb, Manhattan and LML entered into a verbal agreement to develop an e-commerce site.
12. Manhattan became disenchanted with Knightweb due to the Baby Registry and Online Store projects not being completed on time and far exceeding budget.
13. While attending a convention the week of May 14, 1999, in Las Vegas, Nevada it was discussed that Knightweb should host the LML website. It was discussed with Jean Kasem and Bred Ress outside the presence of Steven Mitchell.

14. During the convention, Jean Kasem stated that she had become disenchanted with Steven Mitchell at LML as suspected him of taking money from the company.

15. I have never received any proof that Steven Mitchell took any money from LML.

16. I was instructed not to discuss the potential missing funds with Jean Kasem's husband, Casey Kasem, because Steven Mitchell was trusted by him and this would aggravate his high blood pressure.

17. During numerous lengthy conversations the week of May 18, 1999 Jean Kasem stated to me that Steven Mitchell and others would be terminated from LML on May 24, 1999.

18. On May 18, 1999 I was instructed to transfer from Manhattan's computer via the Internet, the LML website and certain other intellectual assets.

19. On May 19, 1999 I copied the entire contents of the LML website to KnightWeb's computers.

20. On May 20, 1999 I sent a change request to Internic for crib.com and kasem.com.

21. I was instructed by Jean Kasem and Brad Rees not to discuss this issue with Steven Mitchell.

22. I was instructed not to talk to Steven Mitchell about any issue without first discussing it with Jean Kasem.

23. It was concealed from me the fact that LML had not paid for the work on the Manhattan website or for other property I was instructed to remove.

24. Jean Kasem and Brad Rees had possession of the Sparc computer and the Oracle development disk on May 25, 1999 when I arrived in Burbank, California.

25. I arrived in Burbank, California, on May 25, 1999 in the morning.

26. Jean Kasem, Brad Rees and I conspired to tell Steven Mitchell that I had possession of the Sparc computer.

27. Jean Kasem felt that Steven Mitchell would react in a hostile manner if he knew that computer was on the premises on June 2, 1999.

28. Jean Kasem and Brad Rees stated to me that LML was holding the computer to get Steven Mitchell "motivated".

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29. Jean Kasem and Brad Rees stated to me that she and LML intended to "Hold the computer hostage" until all issues were resolved.

30. Jean Kasem and Brad Rees knew stated that the machine contained valuable intellectual property including Oracle.

31. Brad Rees told me that he had the Sparc shipped to friend of in Florida to be analyzed.

32. The actions taken by Jean Kasem, Brad Rees and LML with respect to the Sparc were premeditated.

33. The actions taken by Jean Kasem, Brad Rees and LML were purposely done to cause harm to Steven Mitchell and Manhattan.

34. I have never had actual possession of the Sparc computer.

35. I did not tamper in any manner with the Manhattan router.

36. On June 30, 1999 while I was present at LML, Jean Kasem instructed her husband to contact Steven Mitchell with respect to certain portions of the LML website that I forgot to transfer.

37. That same day, June 30, 1999, while I was in Jean Kasem's office she instructed me to contact Steven Mitchell with instructions regarding the transfer of the items. Jean Kasem specifically informed me to mislead Steven Mitchell into thinking that I was in Colorado by having me call him from my cellular phone.

38. Jean Kasem specifically instructed me not to inform Steven Mitchell that she was in her office.

39. At Casey Kasem's request Steven Mitchell agreed to transfer the missing portions of the website.

40. While I was present at LML it was openly stated that Steven Mitchell had "stolen" money from LML.

41. While I was present it was openly discussed with vendors and outside parties that Steven Mitchell had "stolen" money from LML.

42. I was never offered any substantiation to these allegations.

43. I am informed that as of this date LML has not filed a lawsuit against Steven R. Mitchell.

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44. I am informed that as of this date Steven R. Mitchell is preparing to file a law suit against LML, Jean Kasem and others for defamation of character, liable, slander, intentional interference with an economic opportunity, piracy of intellectual property, conversion of intellectual property, intentional infliction of emotions distress, approximately \$70,000 in funds that were expended on behalf of LML and not reimbursed, and other charges as they arise.

45. As of this date LML owes KnightWeb over \$5,000 in fees.

46. On August 17, 1999, an email a fax and a letter via US Mail were sent to Jean Kasem and LML stating that if the amount of \$5000.00 was not received by KnightWeb by August 31, 1999, that an interruption of service would occur.

47. On August 24, 1999, a second letter was sent to Little Miss Liberty via US Mail stating that there would be an interruption of service if payment were not received by August 31, 1999.

48. During the month of August, multiple phone calls were placed LML attempting to reach Jean Kasem or the accounting department regarding the owed monies. No return phone call was made to KnightWeb.

49. On September 1, 1999, the DNS records for www.crib.com were removed from KnightWeb's Servers, effectively interrupting their website delivery to the Internet

50. On the night of September 2, 1999, I received a phone call at home from Norman Zaffman, an attorney representing Jean Kasem, who asked me questions of why the site was turned off, and what it would take to turn it back on.

51. On Sept 4, 1999, I found that the web site had been copied without my permission, and placed on another Internet Provider's servers.

52. On Sept 4, 1999, the Internic had made changes to allow the other Internet Service Provider (World Wide PC) to deliver content for www.crib.com to the Internet community.

53. On October 1, 1999, I received from Steven Mitchell a faxed copy of letters sent to Oracle demanding return of Manhattan Software's Intellectual Property.

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54. As of October 1, 1999, I do not possess any of Manhattan Software's Intellectual Property.

I declare under penalty of perjury under the laws of the states of Colorado and California the foregoing is true and correct.

Date: 10/2/99


Howard I. Grapek

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